3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5

Though wheat is mankind's most popular cereal food, rye is the first choice in Lithuania. Only about 8 percent of all the arable land is utilized for wheat, while 19 percent of the land is devoted to the growing of rye. Another of the world's largest crops—corn (maize)—is not grown in Lithuania. The same is true of rice. The more popular grain crops, besides rye, are oats, barley, and wheat. Most favored of root crops in Lithuania are the potato and various species of root vegetables. The sugar beet, entirely unknown before the World War, is now quite popular and is grown in sufficient quantities to supply three sugar refineries. Of the fibers, flax is the only one that is widely grown. Hemp is also produced, but in small quantities and only for the consumption of farmers themselves, who use the fiber for ropes and the seeds for several kinds of food.

Another important branch of the agriculture of Lithuania is livestock breeding, which has been vastly improved and extended since the World War.

Economic reconstruction after the World War was not as general among agricultural countries as it might at first appear. Timoshenko points out several unfavorable factors.[5] First of all, the prices of agricultural commodities began to decline early in the period of prosperity. This affected the purchasing power of agricultural and raw-material producing countries. Another adverse factor was the reëstablishment of a system of agricultural protection in the industrial countries of Europe. Cereal production was given less tariff protection during the earlier post-war period than before the war. In some countries of central Europe, including Germany, tariff protection of grain products was completely discontinued during the first post-war years.

[5] Vladimir P. Timoshenko, *World Agriculture and Depression*, Michigan Business Studies, Vol. V, No. 5, University of Michigan, 1933, pp. 541–663.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5
Baltic Countries RB1

YEAR	LITHUANIA	LATVIA	ESTONIA
SUGAR BEETS			
1928–29	—	20	—
1929–30	—	35	—
1930–31	—	69	—
1931–32	67	94	—
1932–33	164	245	—
1933–34	73	291	—
1934–35	137	539	—
1935–36	198	451	—
1936–37	245	382	—
1937–38	257	442	—
1938–39 [b]	208	296	—

[a] Conversion coefficients: see footnote b of Table 11.
[b] *Revue internationale d'agriculture*, 1940, No. 2.

FLAX

Lithuania is one of the chief flax-producing countries in Europe, for the climate and the soil are very favorable for the cultivation of this crop. It is to be noted that in spite of its small area Lithuania ranks as the third flax exporter of the world, being surpassed only by Soviet Russia and Poland. About 200,000 acres, or a little more than three percent of all the arable land in Lithuania, is used for flax growing. Although this is a comparatively small percentage, the income derived therefrom is high. The income from flax and linseed exports in 1920–36 was greater than that from butter, pigs and pork, eggs, or grain.[31]

Because there are no uniform standards for the preparation of the flax, the export products vary in quality. For example, in southern Lithuania flax is plucked out only after full maturity. Later it is submitted to a process of dew retting

[31] Kriksciunas, *op. cit.*, p. 103. See Table 19 for figures.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5
Baltic Countries RB1
Poland EA1

instead of being water retted as in other parts of Lithuania. Prepared by such methods, flax fiber is of low quality, although this is offset by a rich yield of valuable linseed. In other parts of Lithuania flax is plucked before reaching full maturity. Flax plucked at this state produces linseed of low quality, but the flax fiber is undoubtedly very strong and fine.[32]

The concentration of flax exports since 1932 in the coöperative concern Lietukis has raised the quality and reputation of Lithuanian flax. Continued progress in this respect will no doubt be reflected in better prices and greater profits.

TABLE 18

PRODUCTION OF FLAX IN THE BALTIC STATES AND POLAND

(*In Thousands of Quintals*)

YEAR	LITHUANIA	LATVIA	ESTONIA	POLAND
1925–29 (av.)	364	221	100	561
1930–34 (av.)	208	141	66	323
1934	222	162	71	308
1935	319	248	105	398
1936	288	185	87	372
1937	313	231	103	381
1938	258	214	74	399
1939	289	192	62	(*a*)

[a] Figure not available.

The importance of flax, tow, and linseed in the exports of Lithuania may be observed from the fact that in 1924 they constituted 26 percent of Lithuania's total exports; in 1926, 7 percent; in 1928, 20 percent; in 1930, 10 percent; in 1937, 15 percent; in 1938, 11 percent; and in 1939, 17 percent.

[32] Kriksciunas, *op. cit.*, p. 101.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5

TABLE 19

EXPORTS OF LITHUANIA'S FLAX PRODUCTS

YEAR	FLAX AND TOW		LINSEED	
	QUANTITY EXPORTED (*1,000 metric tons*)	VALUE (*Millions of litas*)	QUANTITY EXPORTED (*1,000 metric tons*)	VALUE (*Millions of litas*)
1924	14.0	52.75	18.6	16.29
1926	19.7	56.93	25.8	18.04
1928	13.2	46.59	77.0	6.18
1930	10.2	19.59	20.1	14.21
1932	9.0	9.12	7.7	2.46
1934	10.2	11.19	6.4	2.01
1936	19.7	25.12	23.8	6.80
1937	16.1	24.00	20.7	7.10
1938	18.8	24.82	5.6	1.98
1939	20.0	30.31	10.3	4.16

DAIRY PRODUCTS

Butter and cheese were produced in pre-war Lithuania, but these items became available in increasing quantities for export only after the World War. In 1909–14, only some of the bigger landlords (farmers owning 200 acres or more) had their own creameries, but most of the middle-class and small farmers prepared milk products mainly for their own consumption, sending only a small portion to near-by township markets. In 1901, forty-eight landlords organized the creamery Birute whose yearly exports of butter reached 620,000 pounds. But the World War which disorganized the national economy of Lithuania also ruined the dairy co-operatives. Not only were the dairies destroyed but the country was deprived of its sources of supply, for almost

288 433 This table discloses that all branches of the textile industry have appreciably grown since 1927; that the textile industry proper (weaving and spinning) has, however, made much greater progress than flax manufacture. This is explained by the dependence of the latter upon export, whereas the other branches serve only the home market.

Already in the previous chapter it was pointed out that the output of the textile industry since 1929 has shown an unbroken advance, and of all industrial branches of Lithuania has increased the most vigorously. For the sake of comparison with the quantities data, the production index, calculated on the basis of ad valorem amounts, is once more quoted as converted to the basis year 1931:

1931	1932	1934	1935	1936	1937
100.0	108.1	168.4	178.4	264.0	311.2

248 288 433 The statistical data on the production quantities of separate special branches are as follows:

	1931	1932	1934	1935	1936	1937
Flax and Tow (in tons)	4 550	5 509	1 335	4 331	5 207	5 857
Linen Yarns (in tons)	8.5	44.6	41.6	62.8	91.9	173.8
Cotton Yarns (in tons)	344.1	249.1	391.7	337.9	433.5	973.9
Woollen and Half-Woollen Fabrics (in 1000 metres)	838.8	722	1 335.3	1 384.4	2 466.1	2 411.1
Cotton Fabrics (in 1000 metres)	5 282.4	7 200	11 537.9	12 079.2	14 531.3	15 578.8
Silk Fabrics (in 1000 metres)	61.2	100.1	538.4	771.7	1 139.8	1 240.8

248 439 In regard to the flax manufacturing industry, it is interesting to compare the foregoing production quantities of machine-manufactured flax and tow with the total quantities of our flax exports in the relevant years. These are as follows (in tons):

1931	1932	1934	1935	1936	1937
7 710	8 989	10 187	10 427	19 677	16 087

From this comparison it can be seen that the machine-manufactured flax to-day constitutes only a small part of the total exported quantity, i. e. that flax manufactured by the farmers forms the greatest portion. Nevertheless the industrial production shows a relatively more stable course (with the exception of 1934) than the rural supply. 248 433

The production of the textile industry proper has since 1931 on an average quadrupled. A much more powerful development therein is shown by silk-weaving, which in 1937 produced in round figures twenty times as many silk fabrics as in 1931, owing to the fact that it forms the youngest branch of our textile industry and was founded exactly in 1931. 288 433

The growth of the textile industry was undoubtedly promoted by the tariff policy (increase of the Customs duty on cotton fabrics in October, 1931, and again in April, 1932, on woollen and cotton fabrics) as also by the licence system (the import of woollen fabrics has been subject to licence since the introduction of the licence system, i. e. since December, 1932; that of cotton and silk yarns since August, 1934). This found expression in the sharp decline in 1932 of the imports of ready-made fabrics by half in round figures of the earlier imported quantity. The textile industry undoubtedly represents, concurrently with the production of knitted goods, the Lithuanian industrial branch best protected by tariff policy, which also explains its rapid growth and the concentration of large-scale undertakings in this branch. Notwithstanding this indisputable fact, it must none the less be recognized that, on the one hand, tariff protection is not equally apportioned (thus, for example, the duties on silk fabrics actually on an average amount to approximately 200% **ad valorem**; on cotton fabrics over 60%; and on linen fabrics only 25%), and that, on the other hand, the high duties on yarns (especially on artificial silk yarn) partially equalize the advantage of the high duties on ready-made fabrics. 439 651

3. The Timber Industry

To the timber industry, which may be designated the third most important industrial branch of Lithuania, accrued in 1937 16.9% of all the workers employed in the medium and wholesale manufacturing industry; 10.5% of the engine horse-power; 313 433